



Disaster News Release

Federal Disaster Loans for Homeowners, Renters and Businesses of all sizes

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SBA DISASTER LOANS AVAILABLE TO HOMEOWNERS, RENTERS AND BUSINESSES IN 6 OHIO COUNTIES

COLUMBUS/CLEVELAND, OH – Homeowners, renters, landlords, and business owners located in Hancock, Ottawa, Paulding, Putnam, Seneca, and Van Wert Counties are now eligible to apply for low-interest disaster loan assistance from the U. S. Small Business Administration (SBA), Disaster Assistance Program. President Bush declared these counties a major disaster area as a result of damages caused by the November 10, 2002 severe storms and tornadoes, according the SBA Disaster Area Director Michael C. Allen.

Because the **SBA Disaster Assistance Program is the primary form of federal assistance** to those affected by a disaster, **most homeowners, renters, and all business owners will be referred directly to the SBA for low-interest disaster loans when they register for assistance.**

Allen warns that homeowners should not automatically turn over their insurance settlement check to their mortgage holder to pay down their mortgage. Doing this without a written demand letter from the mortgage holder will have a significant negative impact on their ability to get low-interest disaster loan assistance from the SBA to repair their damaged property.

SBA offers loans of up to \$200,000 to repair disaster damaged homes. Homeowners, and renters are eligible for up to \$40,000 to replace personal property. Loans to businesses and non-profit organizations of up to \$1.5 million are also available to repair damage to real estate, machinery and equipment, inventory, etc., and for leasehold improvements. Working capital assistance is also available through SBA's Economic Injury Disaster Loan (EIDL) program. A business need not have physical damage to be eligible for economic injury assistance. Interest rates for homeowners and renters can be as low as 2.937 percent and 3.324 percent for businesses. Loan terms on all loans can be up to 30 years. Actual loan amounts and terms are set by SBA and are based on each applicant's financial condition.

Disaster victims are reminded that to be considered for all forms of disaster assistance, including SBA's disaster loans, they must first call the Federal Emergency Management Agency (FEMA) at 1-800-621-FEMA (3362). This one call will get people referred to the agency that can best help with their disaster-related needs. Even if you had some insurance, it is important that you register for this assistance.

The application deadline for SBA physical damage loan assistance is January 17, 2003; the deadline for economic injury applications is August 18, 2003.

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Information about the disaster program is available on SBA's homepage at www.sba.gov